

Summary of Financial and Operating Results for the Fiscal Year Ended March 31, 2014 [Japan GAAP]

May 9, 2014

Company: Hibiya Engineering, Ltd.

Stock exchange listing: Tokyo Stock Exchange (First Section)

Stock code: 1982

URL: <http://www.hibiya-eng.co.jp/English>

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Regular general meeting of shareholders: June 27, 2014 (tentative)

Date of commencement of dividend payment: June 30, 2014 (tentative)

Date of filing of securities report: June 27, 2014 (tentative)

Supplementary explanatory documents: No

Earnings presentation: Yes (For analysts and institutional investors)

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

1. Consolidated results of operations for the year ended March 2014 (April 1, 2013 – March 31, 2014)

(1) Consolidated results of operations

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY14	69,466	4.7	1,842	(8.6)	2,886	1.8	2,215	22.7
FY13	66,322	8.9	2,016	17.7	2,835	(1.3)	1,806	9.0

Note: Comprehensive income: FY ended March 31, 2014: 3,417 million yen (-6.1%)

FY ended March 31, 2013: 3,638 million yen (+87.8%)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY14	72.78	72.43	4.1	3.5	2.7
FY13	58.15	57.90	3.4	3.6	3.0

(Reference) Equity in earnings of equity method affiliates: 693 million yen for FY14 369 million yen for FY13

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY14	83,531	57,068	66.2	1,828.81
FY13	79,427	55,166	67.3	1,744.66

(Reference) Shareholders' equity: 55,256 million yen for FY14 53,445 million yen for FY13

(3) Consolidated cash flow position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY14	(1,314)	(362)	(1,884)	7,622
FY13	164	991	(1,747)	11,183

2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend ratio (Consolidated)	Dividend-to-equity ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY13	-	15.00	-	15.00	30.00	929	51.6	1.8
FY14	-	15.00	-	15.00	30.00	915	41.2	1.7
FY15(Estimate)	-	16.00	-	16.00	32.00		48.3	

3. Consolidated forecast for the fiscal year ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	71,000	2.2	2,500	35.7	3,300	14.3	2,000	(9.7)	66.19

Notes

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No
- (2) Changes in accounting principles and estimates, and retrospective restatement
 - (a) Changes due to revision of accounting standards: Yes
 - (b) Changes other than in (a): No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No
- (3) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury stock)

	As of March 31, 2014:	31,000,309	As of March 31, 2013: 34,000,309
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 - (b) Treasury stock

	As of March 31, 2014:	785,800	As of March 31, 2013: 3,366,761
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 - (c) Average number of shares

	Period ended March 31, 2014:	30,441,820	Period ended March 31, 2013: 31,058,686
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Forward-looking statements, important Notes, etc.

These materials contain forward-looking statements that are based on information available to management as of the date of this report. Actual results may be materially different from the above forecasts for a number of reasons.

This is an English translation of the captioned report. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.

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1. Results of Operations

(1) Analysis of results of operations

1) Results of operations for fiscal year ended March 31, 2014

In the past fiscal year, the Japanese economy recovered as the government and Bank of Japan enacted various economic and monetary measures. As the yen weakened and stock prices rose, corporate earnings improved and consumer spending rebounded. Demand created by the rush to make purchases before the April 2014 consumption tax hike also supported the recovery.

In the construction industry, public-works investments increased, mainly for earthquake recovery projects, and there was a recovery in private-sector capital expenditures. However, the operating environment remained challenging because of the higher cost of materials and labor and intense competition to capture orders.

The fiscal year that ended in March 2014 was the last year of the Fourth Medium-term Management Plan. In accordance with the strategic objectives of this plan, there were solution-based sales activities that incorporated strategic proposals involving the group's technologies involving energy conservation, renewable energy and other key sectors. There were also extensive collaborative sales activities with the NTT Group and more cooperation among Hibiya Engineering Group companies. Overall, group companies took many actions to reinforce strategies and initiatives of recent years.

In addition, group companies to actions to build a more powerful foundation for business operations. This included strengthening compliance, safety and quality management activities, reinforcing the framework for risk management, upgrading training programs, and other actions. The objective was to increase corporate value by enhancing the Hibiya Engineering Group's reputation for trust and reliability.

As a result of these activities, orders received increased 3.3% to 72,385 million yen. Due to the higher orders, sales increased 4.7% to 69,466 million yen.

Amid challenging market conditions, all group companies focused on lowering costs by implementing a unified procurement strategy and extensive measures to improve the efficiency of construction. Operating income decreased 8.6% to 1,842 million yen but ordinary income increased 1.8% to 2,886 million yen. Net income increased 22.7% to 2,215 million yen.

Operating results by business segment were as follows.

1. Construction

Segment sales increased 6.3% to 61,293 million yen and operating income increased 12.0% to 1,632 million yen.

2. Equipment sales

Segment sales decreased 6.4% to 5,352 million yen and operating income decreased 54.2% to 155 million yen.

3. Equipment manufacturing

Segment sales decreased 4.1% to 2,820 million yen and operating income decreased 78.2% to 47 million yen.

Orders received by segments

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013) (million yen)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014) (million yen)	YoY change (%)
Construction	61,403	64,135	4.4
Equipment sales	5,717	5,352	(6.4)
Equipment manufacturing	2,929	2,897	(1.1)
Total	70,051	72,385	3.3

Net sales by segments

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013) (million yen)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014) (million yen)	YoY change (%)
Construction	57,662	61,293	6.3
Equipment sales	5,717	5,352	(6.4)
Equipment manufacturing	2,941	2,820	(4.1)
Total	66,322	69,466	4.7

- Note: 1. Inter-segment transactions are eliminated.
 2. Consumption and other taxes are not included in the amount.

2) Outlook for fiscal year ending in March 2015

The outlook is for a continuation of the Japanese economy's recovery as exports recover and household income and investments grow because of government economic stimulus measures. But there are some areas of uncertainty, including the effect of the drop in demand following the upturn prior to the April 2014 consumption tax increase.

In the construction industry, preparations for the 2020 Tokyo Olympics and other factors are expected to create demand. Nevertheless, there are concerns about a drop in demand associated with earthquake recovery projects, the higher cost of materials and labor, and intense competition for orders. As a result, the operating environment will probably remain difficult.

To succeed in this challenging environment, the Hibiya Engineering Group started the Fifth Medium-term Management Plan, which covers the three-year period that starts in April 2014 and ends in March 2017. As Hibiya Engineering approaches its 50th anniversary in 2016, the group is determined to use the strategies of this plan to make more progress toward becoming a "true comprehensive engineering services company." The goal is to be a one-stop source of services that meet customers' needs.

For the fiscal year ending in March 2015, Hibiya Engineering forecasts consolidated orders received of 73.0 billion yen, sales of 71.0 billion yen, operating income of 2.5 billion yen, ordinary income of 3.3 billion yen and net income of 2.0 billion yen.

The non-consolidated forecasts are orders received of 64.0 billion yen, sales of 62.0 billion yen, operating income of 2.0 billion yen, ordinary income of 2.4 billion yen and net income of 1.4 billion yen.

(2) Analysis of financial condition

1) Assets, liabilities and net assets

Assets

Total assets increased 4,104 million yen from the end of the previous fiscal year to 83,531 million yen. Current assets increased 355 million yen to 43,954 million yen and noncurrent assets increased 3,748 million yen to 39,577 million yen.

Major changes in current assets were decreases of 560 million yen in cash and deposits and 3,285 million yen in short-term investment securities and a 4,043 million increase in accounts receivable from completed construction contracts and other.

Noncurrent assets increased mainly because of a 3,131 million yen increase in the valuation of investment securities.

Liabilities

Liabilities increased 2,201 million yen to 26,463 million yen. This was mainly the result of increases of 1,265 million yen in notes payable, accounts payable for construction contracts and other and 787 million yen in deferred tax liabilities.

Net assets

Net assets were 57,068 million yen at the end of the fiscal year mainly because of the contribution from net income of 2,215 million yen.

2) Cash flows

Net cash used in operating activities was 1,314 million yen, 1,479 million yen less than the positive cash flow one year earlier. Income before income taxes and minority interests was 3,402 million yen but cash was used by an increase in notes and accounts receivable-trade and other items.

Net cash used in investing activities was 362 million yen, a difference of 1,353 million yen compared with the positive cash flow one year earlier. This was mainly because purchases of investment securities were more than proceeds from sales and redemptions of investment securities.

Net cash used in financing activities was 1,884 million yen, 136 million yen more than cash used one year earlier. Purchases of treasury stock and cash dividends paid were the major uses of cash.

The result of these cash flows was a net decrease of 3,560 million yen in cash and cash equivalents to 7,622 million yen at the end of the fiscal year.

(Reference) Cash flow index trends

Years ended March 31	2010	2011	2012	2013	2014
Equity ratio (%)	67.8	67.3	67.6	67.3	66.2
Equity ratio based on market cap (%)	35.4	34.1	37.5	36.8	53.9
Cash flow/ interest-bearing debt (years)	0.5	0.4	33.0	4.7	-
Interest coverage ratio (times)	103.9	165.0	2.0	12.9	-

Equity ratio: Shareholders' equity/Total assets

Equity ratio based on market cap: Market capitalization/Total assets

Cash flow/interest-bearing debt: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest expenses

* All indicators are based on figures in the consolidated financial statements.

* Market capitalization does not include treasury stocks.

* Operating cash flows are the figures shown in the consolidated statements of cash flows. Interest-bearing debt is the sum of all short-term loans payable on the consolidated balance sheets. Interest expenses are the interest paid figure on the consolidated statements of cash flows.

* Cash flow/interest-bearing debt and the interest coverage ratio are not shown for the fiscal year that ended in March 2014 because the operating cash flow was negative.

(3) Basic policy for allocation of earnings and dividends for the current and next fiscal years

Returning earnings to shareholders is one of the highest priorities of Hibiya Engineering. The Fourth Medium-term Management Plan, which started in April 2011, includes a provision for basing the dividend on the consolidated dividend-on-equity (DOE) ratio from the standpoint of distributing earnings to shareholders consistently. In accordance with this basic policy, Hibiya Engineering plans to pay a year-end dividend of 15 yen per share. With the interim dividend of 15 yen paid earlier in the fiscal year, the annual dividend will be 30 yen. This dividend results in a consolidated payout ratio of 41.2%.

To improve the return on equity and as one way to return earnings to shareholders, Hibiya Engineering purchases treasury stock in a flexible manner. In the fiscal year that ended in March 2014, 452,400 shares of treasury stock were purchased at a total cost of 499 million yen. In addition, 3 million shares of treasury stock were retired at the end of the fiscal year.

In the Fifth Medium-term Management Plan, there will be no change in the basic policy for the allocation of earnings. Based on the policy of “consistently paying a stable dividend while increasing net assets by retaining earnings,” the plan for the dividend applicable for the fiscal year ending in March 2015 is interim and year-end payments of 16 yen per share, resulting in an fiscal year dividend of 32 yen per share, 2 yen more than for the previous fiscal year.

Furthermore, to improve the return on equity and as one way to return earnings to shareholders, treasury stock purchases will continue in a flexible manner.

Retained earnings are used to maintain a sound financial position in order to be prepared for future business activities. Retained earnings are also used for R&D activities to become more competitive, employee training, entering new business fields, and other investments that can produce earnings in the future.

2. Management Policies

Fundamental management policy

The Hibiya Management Group started the Fourth Medium-term Management Plan in the fiscal year ending in March 2012 with the basic goals of maintaining profitability while increasing orders received and achieving concrete progress with new businesses and capitalizing on more business opportunities. The plan called for implementing strategies and initiatives involving energy conservation, renewable energy and other fields in targeted business domains, including data centers, office buildings, manufacturing equipment and other sectors. Major initiatives were solution-based sales that strategically used Hibiya Engineering's technologies, aggressive collaborative sales with the NTT Group, and more cooperation among Hibiya Engineering Group companies. In addition, there were many activities aimed at enhancing the group's reputation for trust and reliability. For example, there were measures to strengthen compliance and safety and quality management systems, upgrade the risk management framework, and train employees in order to build a more powerful foundation for business operations.

As a result, Hibiya Engineering achieved targets for orders received, sales and other aspects of results of operations. Regarding earnings distributions to shareholders, a stable shareholder dividend was paid is based on the consolidated DOE ratio and treasury stock was consistently purchased and retired.

Although construction spending in Japan is currently recovering, the operating environment for the Hibiya Engineering Group is expected to remain challenging. The main reasons are the high cost of materials and labor, the difficulty of capturing new orders, and the decision of NTT Group companies, the largest customer for the Hibiya Engineering Group, to hold down investments. However, a number of major positive trends are gaining momentum. Markets involving the environment and energy, smart cities, BCP and disaster preparedness, the globalization of client companies, and building renovations are all growing. As a result, the importance of offering highly sophisticated solutions and using alliances to target multiple issues at once is increasing. Furthermore, demands involving cost are expected to become even greater.

To overcome these challenges, the new Fifth Medium-term Management Plan will continue and build on the activities of the Fourth Medium-term Management Plan. The speed of corporate reforms will increase with the goal of becoming more profitable by becoming a "comprehensive engineering services company" that is a one-stop source of services that meet customers' needs. Accomplishing this will require providing customers with outstanding solutions with added value that spans the entire life cycle of a project from planning to design, construction and operation. This will enable the Hibiya Engineering Group to contribute to the advancement of customers, society and environmental protection. The fundamental policy, performance targets and fundamental strategies are as follows.

I. Fundamental policy

1. Maintain consistent profitability

Be a source of "building life cycle total solutions," serving as the best partner for meeting the increasingly diverse, sophisticated and composite needs of customers by expanding services to cover the entire life cycle of buildings.

2. Strengthen business operations

Retain technological know-how in documents and use unified group management in order to train employees, improve performance in relation to cost, operate more efficiently, and make other improvements.

3. Place priority on confidence and safety

Expand CSR programs, reinforce compliance activities, increase distributions to shareholders and further improve employee satisfaction.

II. Performance targets

The targets are as follows for consolidated sales and earnings in each fiscal year of the Fifth Medium-term Management Plan, which covers the three-year period ending in March 2017.

Sales	At least 70 billion yen
Operating income	At least 2.5 billion yen
Ordinary income	At least 3.3 billion yen
Net income	At least 2.0 billion yen

III. Fundamental strategies

1. Be a source of building life cycle total solutions

To accomplish this goal, the Hibiya Engineering Group will concentrate mainly on the following business domains and initiatives.

- Six main business domains:

Data centers/information, office buildings, manufacturing/distribution, education, health care (medical welfare), overseas

- Initiatives

[Deepen solution-based sales activities]

Meet customers' diversifying needs by offering services covering the entire life cycle of buildings. The aim is to create "gold customers" by building relationships as the best partner while constantly supplying the optimum solutions with significant added value from four perspectives: energy, cost, building functions and business continuity planning (BCP).

[Offer even more advanced solution technologies]

Upgrade technologies that can be used during the entire life cycle of buildings ("smart" technologies in energy, management, systems and other fields, 3D scanning and other advanced design technologies, product safety and quality technologies, and other technologies).

[Pursue more synergies among group companies]

Create "gold customers" by seamlessly integrating the engineering, sales, manufacturing, operations and maintenance capabilities of the Hibiya Engineering Group in order to conduct joint solution-based sales activities that utilize all group companies.

[Make extensive use of alliances]

Using more diverse business models, expanding the service menu, upgrading technologies and other actions will be vital to adapting to changes in market conditions and customers' needs. The Hibiya Engineering Group will extensively use alliances with other companies to take these actions.

2. Strengthen business operations

- Accumulate and utilize information and knowledge

Build the Hibiya Information Library*

* This library contains a database of the group's intellectual assets (knowledge, technologies and experience) to enable sharing these assets, passing on technologies to newer employees, improving efficiency and upgrading information security.

- Manage the group in a unified manner

Integrate operations to improve efficiency, enable employees to move among different jobs freely, share and utilize information, and make other improvements.

- Improve performance in relation to cost and increase construction efficiency

Implement an advanced procurement strategy, such as by using centralized purchasing for all group companies, and take other actions.

- Train employees and refine their skills

Use internal certification systems, training programs and other employee development activities.

- Reinforce safety and quality activities

Build and strengthen management systems for safety, quality and work processes.

3. Place priority on confidence and safety (commitment to stakeholders)

- Expand CSR programs and reinforce compliance activities

Earn ISO27001 (international standard for information security management systems) certification at all branch offices and take other actions.

- Increase distributions to shareholders

[Financial strategy]

- To maintain stable dividend payments for shareholders, the goal is to use the consolidated dividend-on-equity (DOE) ratio for dividend stability and growth.
 - Continue to purchase treasury stock in a flexible manner as one way to return earnings to shareholders.
 - Use treasury stock with flexibility based on the premise of utilizing this stock in an effective manner.
- Further improve employee satisfaction.

Rotate employees among different positions based on each individual's career objectives and use other methods to create a personnel system that rewards people who take on challenges and produce results.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	5,481	4,920
Notes receivable, accounts receivable from completed construction contracts and other	28,673	32,717
Short-term investment securities	7,802	4,517
Costs on uncompleted construction contracts and other	758	854
Deferred tax assets	671	575
Other	242	404
Allowance for doubtful accounts	(30)	(34)
Total current assets	43,599	43,954
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,449	1,475
Land	152	152
Lease assets	31	30
Other	851	899
Accumulated depreciation	(1,927)	(1,999)
Total property, plant and equipment	557	558
Intangible assets		
Goodwill	76	-
Other	297	158
Total intangible assets	374	158
Investments and other assets		
Investment securities	30,204	33,336
Long-term loans receivable	34	39
Net defined benefit asset	-	398
Deferred tax assets	32	160
Insurance funds	2,661	2,754
Investments in silent partnership	1,000	1,255
Other	1,023	1,083
Allowance for doubtful accounts	(58)	(168)
Total investments and other assets	34,896	38,860
Total noncurrent assets	35,828	39,577
Total assets	79,427	83,531

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	19,176	20,441
Short-term loans payable	780	330
Lease obligations	5	2
Income taxes payable	719	721
Advances received on uncompleted construction contracts	322	1,003
Provision for bonuses	901	922
Provision for warranties for completed construction	47	53
Provision for loss on construction contracts	253	242
Other	1,180	871
Total current liabilities	23,385	24,588
Noncurrent liabilities		
Lease obligations	4	1
Deferred tax liabilities	407	1,194
Provision for retirement benefits	379	-
Net defined benefit liability	-	606
Provision for directors' retirement benefits	44	39
Asset retirement obligations	12	12
Other	27	19
Total noncurrent liabilities	875	1,874
Total liabilities	24,261	26,463
Net assets		
Shareholders' equity		
Capital stock	5,753	5,753
Capital surplus	5,931	5,931
Retained earnings	41,495	40,187
Treasury stock	(2,649)	(525)
Total shareholders' equity	50,531	51,346
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,914	4,031
Remeasurements of defined benefit plans	-	(121)
Total valuation and translation adjustments	2,914	3,909
Subscription rights to shares	97	109
Minority interests	1,623	1,702
Total net assets	55,166	57,068
Total liabilities and net assets	79,427	83,531

(2) Consolidated Statements of Income

(Million yen)

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014)
Net sales	66,322	69,466
Cost of sales	57,579	60,741
Gross profit	8,743	8,725
Selling, general and administrative expenses		
Employees' salaries and allowances	2,332	2,214
Provision for bonuses	398	384
Retirement benefit expenses	204	220
Provision for directors' retirement benefits	12	6
Provision of allowance for doubtful accounts	3	146
Rents	944	982
Depreciation	216	211
Other	2,613	2,717
Total selling, general and administrative expenses	6,726	6,882
Operating income	2,016	1,842
Non-operating income		
Interest income	103	108
Dividends income	119	143
Equity in earnings of affiliates	369	693
Insurance income	36	-
Other	213	125
Total non-operating income	842	1,071
Non-operating expenses		
Interest expenses	12	12
Other	11	14
Total non-operating expenses	24	27
Ordinary income	2,835	2,886
Extraordinary income		
Gain on sales of investment securities	-	284
Gain on redemption of investment securities	-	273
Gain on bargain purchase	129	-
Total extraordinary income	129	557
Extraordinary loss		
Amortization of goodwill	-	42
Total extraordinary loss	-	42
Income before income taxes and minority interests	2,964	3,402
Income taxes-current	802	848
Income taxes-deferred	225	300
Total income taxes	1,027	1,148
Income before minority interests	1,936	2,253
Minority interests in income	130	37
Net income	1,806	2,215

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014)
Income before minority interests	1,936	2,253
Other comprehensive income		
Valuation difference on available-for-sale securities	1,519	1,138
Share of other comprehensive income of associates accounted for using equity method	182	26
Total other comprehensive income	1,702	1,164
Comprehensive income	3,638	3,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,471	3,338
Comprehensive income attributable to minority interests	167	79

(3) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (Apr. 1, 2012 –Mar. 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,753	5,931	40,634	(1,872)	50,446
Changes of items during the period					
Dividends from surplus			(941)		(941)
Net income			1,806		1,806
Purchase of treasury stock				(792)	(792)
Disposal of treasury stock			(3)	15	11
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	860	(776)	84
Balance at the end of current period	5,753	5,931	41,495	(2,649)	50,531

	Accumulated other comprehensive income		Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,249	1,249	76	1,596	53,368
Changes of items during the period					
Dividends from surplus					(941)
Net income					1,806
Purchase of treasury stock					(792)
Disposal of treasury stock					11
Net changes of items other than shareholders' equity	1,664	1,664	21	27	1,713
Total changes of items during the period	1,664	1,664	21	27	1,797
Balance at the end of current period	2,914	2,914	97	1,623	55,166

Current fiscal year (Apr. 1, 2013 –Mar. 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,753	5,931	41,495	(2,649)	50,531
Changes of items during the period					
Dividends from surplus			(921)		(921)
Net income			2,215		2,215
Purchase of treasury stock				(500)	(500)
Disposal of treasury stock			(7)	29	22
Retirement of treasury stock			(2,595)	2,595	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(1,308)	2,123	815
Balance at the end of current period	5,753	5,931	40,187	(525)	51,346

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	2,914	-	2,914	97	1,623	55,166
Changes of items during the period						
Dividends from surplus						(921)
Net income						2,215
Purchase of treasury stock						(500)
Disposal of treasury stock						22
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	1,117	(121)	995	11	78	1,086
Total changes of items during the period	1,117	(121)	995	11	78	1,902
Balance at the end of current period	4,031	(121)	3,909	109	1,702	57,068

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	2,964	3,402
Depreciation and amortization	259	259
Amortization of goodwill	34	76
Increase (decrease) in allowance for doubtful accounts	(21)	114
Increase (decrease) in provision for retirement benefits	(11)	(379)
Increase (decrease) in net defined benefit asset	-	(249)
Increase (decrease) in net defined benefit liability	-	259
Increase (decrease) in provision for retirement benefits and directors' retirement benefits	6	(4)
Increase (decrease) in provision for bonuses	31	20
Increase (decrease) in provision for warranties for completed construction	3	5
Increase (decrease) in provision for loss on construction contracts	(352)	(11)
Interest and dividends income	(223)	(252)
Interest expenses	12	12
Loss (gain) on sales of investment securities	-	(284)
Loss (gain) on redemption of investment securities	-	(273)
Equity in (earnings) losses of affiliates	(369)	(693)
Gain on bargain purchase	(129)	-
Decrease (increase) in notes and accounts receivable-trade	(3,285)	(4,043)
Decrease (increase) in inventories	387	(96)
Increase (decrease) in notes and accounts payable-trade	682	1,265
(Decrease) increase in advances received on uncompleted construction contracts	192	681
Decrease/increase in consumption taxes receivable/payable	667	(222)
Other, net	(207)	(296)
Subtotal	643	(710)
Interest and dividends income received	235	262
Interest expenses paid	(12)	(12)
Income taxes paid	(700)	(854)
Net cash provided by (used in) operating activities	164	(1,314)
Net cash provided by (used in) investing activities		
Payments into time deposits	(600)	(300)
Proceeds from withdrawal of time deposits	500	600
Purchase of property, plant and equipment	(41)	(96)
Purchase of intangible assets	(25)	(25)
Purchase of investment securities	(1,900)	(3,510)
Proceeds from sales of investment securities	-	300
Proceeds from redemption of investment securities	2,700	3,000
Purchase of insurance funds	(99)	(99)
Proceeds from maturity of insurance funds	453	5
Proceeds from withdrawal of investments in silent partnership	-	(273)
Other, net	4	36
Net cash provided by (used in) investing activities	991	(362)

	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)	FY2014 (Apr. 1, 2013 - Mar. 31, 2014)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	(450)
Purchase of treasury stock	(792)	(500)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(941)	(921)
Cash dividends paid to minority shareholders	(6)	(5)
Repayments of lease obligations	(7)	(5)
Net cash provided by (used in) financing activities	(1,747)	(1,884)
Net increase (decrease) in cash and cash equivalents	(591)	(3,560)
Cash and cash equivalents at beginning of period	11,774	11,183
Cash and cash equivalents at end of period	11,183	7,622